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Housing Authority - County of Los Angeles

April 27, 2006

TO: Each Supervisor

FROM: Carlos Jackson, Executive Director

SUBJECT: OWNER DISAPPROVAL AND CONTRACT CANCELLATION POLICIES

This is to provide you with a report outlining the policy changes that were approved by your Board in a motion on March 28, 2006, regarding the Housing Authority's 2006-2007 Annual Plan.

The Housing Authority will implement the following policies for its Section 8 program:

1. MODIFY OWNER DISAPPROVAL POLICY: EXPAND LIST OF REASONS

The list of reasons for owner disapproval was expanded to include the following:

The Housing Authority may disapprove an owner for a period of up to five years for the following reasons:

- The owner has a history or practice of failing to terminate tenancy of tenants of units assisted under Section 8 or any other federally assisted housing program (www.hud.gov) for activity engaged in by the tenant, any member of the household, guest or another person under the control of any member of the household that:
 - Threatens the right to peaceful enjoyment of the premises by other residents;
 - Threatens the health or safety of other residents, of employees of the Housing Authority, or the employees of owners, or other persons engaged in management of the housing;
 - Threatens the health or safety of, or the right to peaceful enjoyment of their residences, by persons residing in the immediate vicinity of the premises; or
 - Is involved in drug-related criminal activity or violent criminal activity.

The Housing Authority may disapprove an owner for a period of one year for the following reasons:

- The owner has a history or practice of renting units that fail to meet State or local housing codes; or
- The owner has not paid State or local real estate taxes, fines or assessments.

2. MODIFY OWNER DISAPPROVAL POLICY: IMPLEMENT APPEAL PROCESS

The Housing Authority will implement the following owner appeal process:

If an owner disagrees with the Housing Authority's disapproval, the owner may appeal the decision in writing within 10 calendar days from receiving the Housing Authority's decision. The Housing Authority will schedule the review within 30 calendar days from the date the request is received.

A hearing officer will conduct the review and a determination will be provided in writing to the owner generally within 10 calendar days after the review. It shall include the decision of the hearing officer, and an explanation of the reasons for the decision. The decision of the hearing officer will be final.

3. ESTABLISH GUIDELINES FOR CANCELLING HAP CONTRACTS

The Housing Authority has established the following guidelines for canceling HAP contracts in accordance with 24 CFR 982.453:

The Housing Authority may terminate the HAP contract if the owner has violated any obligation under any other HAP contract under Section 8 of the 1937 Act (42 U.S.C. 1437f) [24 CFR §982.453(a)(2)]. The Housing Authority will consider the following list of factors in determining whether to terminate the HAP contract for a violation of another HAP contract:

- The nature of the breach
- The location of the other unit(s) under contract compared to the subject unit
- The impacts on participants in the other unit(s)

Additionally, an owner who breaches a HAP contract may be disapproved to participate in Housing Authority programs, as detailed in the Housing Authority's Owner Disapproval policy. The Housing Authority's rights and remedies against the owner under the HAP contract include recovery of overpayments, abatement or other reduction of housing assistance payments, termination of housing assistance payments, and termination of the HAP contracts.

Should you have any questions or concerns, please contact me at (323) 890-7400 or Rebecca L. Craigo, Assisted Housing Director, at (562) 347-4663, extension 8611.

CJ:RLC:LM:dt

Board Memo owner disapproval and contract cancellation policies

c: Each Deputy